## P.O. Box 419026 Rancho Cordova, CA 95741-9026

# NOTICE OF PROPOSED RULEMAKING AMENDMENT TO TITLE 5, CA CODE OF REGULATIONS REGARDING STATE NURSING ASSUMPTION PROGRAM OF LOANS FOR EDUCATION (SNAPLE) – (EDUCATION CODE 69616 et seq.)

#### NATURE OF PROCEEDING

Notice is given that the California Student Aid Commission (CSAC) is proposing to take the action described in the Informative Digest.

A public hearing regarding this proposal is currently not scheduled. However, any interested person or duly authorized representative may request, no later than 15 days before the close of the written comment period, that a public hearing be scheduled.

Following the public hearing, if one is requested, or following the written comment period, if no public hearing is requested, the California Student Aid Commission, upon its own motion or at the instance of any interested party, may thereafter adopt the proposals substantially as described below or may modify the proposals if the modifications are sufficiently related to the original text. With the exception of technical or grammatical changes, the full text of any modified proposal will be available for 15 days before its adoption from the person designated in this Notice as contact person and will be mailed to those persons who submit written comments related to this proposal, or who provide oral testimony if a public hearing is held, or who have requested notification of any changes to the proposal.

Notice is also given that any interested person, or his or her authorized representative, may submit written comments relevant to the proposed regulatory action to the

California Student Aid Commission Attention: Judith Beck P. O. Box 419026 Rancho Cordova, CA 95741-9026

Comments may also be submitted by facsimile (FAX) at (916) 526-7977 or by e-mail to <a href="mailto:snaple@csac.ca.gov">snaple@csac.ca.gov</a>. Comments must be submitted before 5:00 p.m. on April 17, 2006.

#### **AUTHORITY AND REFERENCE**

Pursuant to the authority vested by section 69616.6 of the Education Code, and to implement, interpret, or make specific sections 69616-69617 of the Education Code, the California Student Aid Commission is considering changes to Division 4 of Title 5 of the California Code of Regulations as follows: adopt sections 30910-30917 to implement, interpret, and make specific sections 69161-69617 of the Education Code establishing the State Nursing Assumption Program Of Loans For Education (SNAPLE).

#### INFORMATIVE DIGEST/POLICY STATEMENT OVERVIEW

The broad objective of this proposal is to implement the SNAPLE student loan payment program established by Education Code sections 69616-69617.

Chapter 73 of the Statutes of 2005 enacted the State Nursing Assumption Program of Loans for Education (SNAPLE) in Education Code sections 69616-69616.7. This program authorizes CSAC to make payments for student loans on behalf of program participants who took out those loans to finance their graduate nursing education. The loan payments would begin only after those program participants obtain their graduate nursing degrees and after they complete an academic year of full-time, or the part-time equivalent, teaching in a nursing program in an accredited California college or university. The students are obligated to teach for three consecutive academic years of full-time teaching, or five consecutive years of part-time teaching. CSAC is required to select participants in the program from nominees, meeting specified criteria, submitted by accredited colleges and universities. The Legislature's stated intent for this loan assumption program is that it "be designed to encourage persons to complete their graduate educations and serve as nursing faculty at an accredited California college or university." (Educ. Code, § 69616(c).) Recognizing the growing need for new faculty members in the nursing field at California's colleges and universities, the Legislature found that "the rising costs of higher education, coupled with a shift in available financial aid from scholarships and grants to loans, make loan repayment options an important consideration in a student's decision to pursue a graduate degree in nursing education." (Educ. Code, § 69616(b).)

The proposed regulations would implement, interpret, and make specific the elements of SNAPLE. Specifically, the proposal would:

- 1. Define terms used in the regulations;
- 2. Establish and specify the requirements for applications to participate in the program:
- Establish and specify the requirements for the nominations of students for the program by accredited colleges or universities that decide to participate in the program;
- 4. Establish the process by which CSAC will select program participants from among the nominated students;
- 5. Specify the requirements for loan assumption agreements between the selected program participants and CSAC:
- 6. Specify the requirements under which CSAC may make loan payments on behalf of the program participants;
- 7. Specify the consequences of a program participant's failure to complete the obligation to teach nursing.

There are no comparable provisions of federal law related to this proposal.

CSAC Notice of Proposed Rulemaking 3/3/06 Page 3 of 5

#### **LOCAL MANDATE**

This proposal does not impose a mandate on local agencies or school districts.

#### FISCAL IMPACT ESTIMATES

This proposal does not impose costs on any local agency or school district for which reimbursement would be required pursuant to Part 7 (commencing with Section 17500) of Division 4 of the Government Code. This proposal does not impose other nondiscretionary cost or savings on local agencies. This proposal does not result in any cost or savings in federal funding to the state.

#### **COSTS OR SAVINGS TO STATE AGENCIES**

None.

#### **EFFECT ON HOUSING COSTS**: None

#### **BUSINESS IMPACT/SMALL BUSINESSES**

CSAC has made an initial determination that the proposed regulatory action would have no significant statewide adverse economic impact directly affecting business, including the ability of California businesses to compete with businesses in other states. The proposal would impose no costs upon business. The proposal does not affect small businesses as defined by section 11342.610. This proposal would affect a private sector or small business only if a private sector college or university voluntarily chooses to nominate its students to participate in SNAPLE.

#### ASSESSMENT REGARDING EFFECT ON JOBS/BUSINESSES

CSAC has determined that this regulatory proposal will not have any impact on the creation of jobs or new businesses or the elimination of jobs or existing businesses or the expansion of businesses in the State of California.

#### **COST IMPACT ON REPRESENTATIVE PERSON OR BUSINESS**

The agency is not aware of any cost impacts that a representative private person or business would necessarily incur in reasonable compliance with the proposed action.

#### **BUSINESS REPORT**

This regulatory proposal does not require a report.

CSAC Notice of Proposed Rulemaking 3/3/06 Page 4 of 5

#### **ALTERNATIVES**

CSAC must determine that no reasonable alternative considered by the agency, or that has otherwise been identified and brought to the agency's attention, would be more effective in carrying out the purpose for which the adoption of this regulation is proposed, or would be as effective as and less burdensome to affected private persons than the proposed action.

#### **CONTACT PERSON**

Inquiries concerning the proposed adoption of this regulation and written comment may be directed to:

Judith Beck California Student Aid Commission P. O. Box 419026 Rancho Cordova, CA 95741-9026

(916) 526-8199

or

Linda Brown California Student Aid Commission P. O. Box 419026 Rancho Cordova, CA 95741-9026

(916) 526-7599

#### **TEXT OF PROPOSAL**

Copies of the exact language of the proposed regulations and of the initial statement of reasons and all the information upon which the proposal is based may be obtained upon request from CSAC, P. O. Box 419026, Rancho Cordova, CA 95741-9026. These documents may also be viewed and downloaded from the CSAC website at <a href="https://www.csac.ca.gov">www.csac.ca.gov</a>.

#### INITIAL STATEMENT OF REASONS AND INFORMATION

CSAC has prepared an initial statement of reasons for the proposed action and has available all the information upon which the proposal is based.

CSAC Notice of Proposed Rulemaking 3/3/06 Page 5 of 5

### AVAILABILITY AND LOCATION OF THE FINAL STATEMENT OF REASONS AND RULEMAKING FILE

All the information upon which the proposed regulations are based is contained in the rulemaking file which is available for public inspection by contacting the person named above.

You may obtain a copy of the final statement of reasons once it has been prepared, by making a written request to the contact person named above.

#### **WEBSITE ACCESS**

Materials regarding this proposal can be found at www.csac.ca.gov.